REMARKS

As a preliminary matter, Applicants would like to thank Examiner Akintola for his time during a telephonic interview with Applicant's representative Mark Triplett on August 30, 2007. To focus the issues, Claim 1 and the Garber reference (US Patent 5,963,923) were specifically addressed in view of the current 102 rejection. Other dependent claims were also discussed, but in limited amount. The following provides a brief overview of the discussion and provides remarks to the Office action mailed May 1, 2007, in which Applicant respectfully traverses the 102/103 rejections.

Claim 1 calls for "sending an order on behalf of a trader <u>from a first electronic market</u> to <u>a second electronic market</u>…such that the action of sending the order is taken on behalf of the trader by the first electronic market itself…." Regarding each electronic market, claim 1 further states:

> …the first electronic market comprises a first computerized matching process that is configured to automatically match bids and offers received from remote client devices to trade a tradeable object
>
> and
>
> the second electronic market comprises a second computerized matching process that is configured to automatically match bids and offers received from remote client devices to trade a second tradeable object….

Conventionally, a buy or sell order is sent from a remote client device to an electronic market. To illustrate this convention, Figure 1 of Applicant's specification illustrates a buy or sell order sent from a client device 104 to electronic market 114 by path 106. Figure 1 also illustrates a buy or sell order sent from client device 104 to another electronic market 116 by path 110. The method of claim 1, on the other hand, goes against convention by calling for the electronic market, itself, to take the action of sending an order on behalf of a trader to another electronic market, which offers a different tradeable object to

trade. To illustrate one example embodiment, Figure 5 of Applicant's specification illustrates a client device 504 sending a buy or sell order to electronic market 510, but it is the electronic market 510 that sends a second order to another electronic market 512 via path 508 on behalf of the trader.

Garber, on the other hand, when compared to the method of claim 1 provides nothing more than convention. First, Garber provides PMM ("Principle Market Maker" – see Garber's background section for more on a PMM) computers that are linked via a bidirectional communications link to manage risk *taken in one of two markets*. Generally, the *markets* referred to by Garber are floor-trading markets (not necessarily, "electronic markets"). For example, Garber's "field of invention" states, "…the invention relates to…the merger of a specialist system…in a traditional pit trading environment." It is stated again in the "summary of the invention" which states, "The PMM specialist program is designed … by merging the best aspects of a specialist system…with a traditional futures pit trading environment." (Col. 3, line 50). Garber further uses "trading crowd," "voice," "hand signal," (e.g., see the bi-directional link of Garber at Figure 2, which can be voice or hand-signals), among other phrases, throughout the reference, all of which indicate that the PMM system is intended for floor-trading markets. Garber does provide a brief disclosure of electronic exchanges too – for instance, col. 6, lines 0-6 refer to electronic market platforms such as "Project A" and "Globex." Project A refers to the Chicago Board of Trades' electronic trading system and Globex refers to the Chicago Mercantile Exchange's electronic trading system. Figure 1 of Garber shows a PMM computer in communication with these types of electronic markets.

To manage risk, the PMM computers perform the action of sending orders to *these markets* just as a remote-client-device would place an order at an electronic market. If it is floor-trading, then a broker would actually see an order on his or her screen and then place the order with the trading crowd. For example, computer 33 in Figure 2 of Garber sends orders to be matched with traders at 38-and-40, whereas computer 35 sends orders to be matched with the

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options trading crowd at 32-34-and-36. The Garber reference provides other examples that indicate these PMM computers operate similarly to client devices remote from the markets - Garber states:

> The electronic trading systems Project A 16, Globex 18…are well known in the art and need not be discussed in further detail herein. These systems are coupled to the PMM computer 12 to receive and transmit bids and offers for international currency trading. (Col. 6, lines 0-6).

> The PMM/Rolling Spot Options computer 35 transfers risk by making the appropriate transactions within the options trading crowd through terminals 32, 34, 36. These transactions disperse the risk among a multitude of traders. (Col. 6, lines 55-58).

> In FIG. 6, the best inside markets 54, 56, 58, 60, 62 (highest bid and lowest offer) from the various electronic trading systems 16, 18, 20, 22 and 24 of FIG. 1 are communicated into the display field of screen 52. (Col. 9, lines 0-3).

> The PMM Risk Transfer Screen 80 is connected to the most commonly used floor brokers in the "options crowd" for PMM risk transfer at rapid rates. (Col. 9, lines 35-39).

The PMM computers in Garber then are not "electronic markets" such as set forth in Applicant's claim 1. In other words, the PMM computers do not comprise a matching process that is configured to automatically match bids and offers received from remote client devices. Rather, the PMM computers may be viewed as "remote client devices" themselves, and are separate from the electronic markets. Hypothetically speaking, the PMM computers are the same as client 104 in Applicant's Figure 1 – where a client device remote from an electronic market (or trading floor) sends orders to the electronic market.

For at least these reasons, Garber does not disclose the aforementioned features of claim 1, and therefore claim 1 is patentable over the cited art. Claims 2-11 and 23-30, which depend from claim 1, are at least allowable for the same

reasons as claim 1 is allowable. Independent claim 22 is allowable for similar reasons as claim 1 is allowable. While the rejections under 35 U.S.C. 103 are respectfully traversed, those rejections are moot given that each rejected claim under 35 U.S.C. 103 depends from an allowable claim. Favorable reconsideration and withdrawal of the rejections of claims 1-30 under 35 U.S.C. 102(b) and 103(a) are respectfully requested.

If an allowance is not granted, given the time already spent on this matter and in the interest of compact prosecution, Applicant kindly reminds the Office of the following sections of the MPEP: "[w]henever practicable, Office personnel should indicate how rejections may be overcome and how problems may be resolved…" MPEP § 2106 (II); and "In other words, the examiner should always look for enabled, allowable subject matter and communicate to applicant what that subject matter is at the earliest point possible in the prosecution of the application." MPEP § 2164.04.

Additionally, on page 2 of the Office Action, claim 11 is rejected because the claim recites, "the electronic exchange" with no antecedent basis. Applicant amended the claim to read, "an electronic exchange." Applicant thanks the Examiner for pointing out this error.

If Examiner believes that further dialog would expedite consideration of the application, Examiner is invited to contact Trading Technologies in-house Patent Counsel Mark Triplett at 312-476-1151, or the undersigned attorney or agent.

Respectfully submitted,

Date: September 4, 2007   By: /Joseph A. Herndon/
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